

Message Text

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21

ACTION EB-11

INFO OCT-01 EA-11 ISO-00 SPC-03 AID-20 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 DODE-00 PM-07 H-03 L-03 PA-04 PRS-01 USIA-15

SCEM-02 SCI-06 INT-08 AGR-20 CG-00 FPC-01 FMC-04 IO-14

AF-10 NEA-10 /236 W

----- 101608

R 150620Z JAN 74

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 2346

INFO AMCONSUL BRISBANE UNN

AMEMBASSY JAKARTA

AMEMBASSY MANILA

AMCONSUL MELBOURNE

AMCONSUL PERTH UNN

AMEMBASSY SINGAPORE

AMCONSUL SYDNEY

AMEMBASSY TOKYO

AMEMBASSY WELLINGTON

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PASS MEEKER, FAS

EO 11652: N/A

TAGS: ENRG, ETRN, EAGR, AS

SUBJ: CONNOR STATEMENT ON BUNKER AGREEMENT

REF: A) CANBERRA 0193

B) CANBERRA 0114

1. AFTER REPORTING TO PRIME MINISTER AND CABINET

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COLLEAGUES ON HIS JAN 10 MEETING WITH LOCAL OIL

COMPANY HEADS (REF A), MINERALS AND ENERGY MINISTER
CONNOR RELEASED STATEMENT JAN 13 ON COMPANIES'
ASSURANCES TO MEET WHEAT EXPORT BUNKERING REQUIREMENTS.
CONNOR SAID THAT OIL INDUSTRY HAD AGREED TO COOPERATE
WITH GOA "TO ENSURE THAT OIL PREVIOUSLY AVAILABLE TO
OVERSEAS SHIPPING AT OVERSEAS BUNKERING PORTS WOULD BE
AVAILABLE FOR AUSTRALIAN WHEAT SHIPMENTS WITHIN THE
LIMITS OF OVERSEAS PRODUCTION." COMPANIES WILL SET UP
SPECIAL BUNKERING COMMITTEE HEADED BY SHELL, ESSO AND
BP TO "LIAISE CLOSELY" WITH DME. IT WAS ALSO AGREED
BY CONNOR AND EXECUTIVES THAT AMOUNT OF BUNKER REQUIRED
WILL BE CAREFULLY CHECKED "AS IN MANY RECENT APPLICATIONS,
TONNAGES HAD BEEN SOUGHT FAR IN EXCESS OF THAT
REQUIRED FOR THE PARTICULAR VOYAGE."

2. STATEMENT SAYS AUSTRALIAN WHEAT BOARD (AWB) EXPECTS
TO EXPORT 7.5 MILLION METRIC TONS OUT OF CURRENT WHEAT
CROP OF 11.5 MILLION. MAJOR PURCHASERS ARE: PRC - 1.4
MILLION; JAPAN - 1.03 MILLION; EGYPT - 1 MILLION;
INDIA - 0.8 MILLION; AND SOUTHEAST ASIA - 0.73 MILLION.
LIST OF SHIPS SUPPLIED BY AWB AT CONNOR'S REQUEST FOR
HIS MEETINGS WITH OIL INDUSTRY ONLY COVERED ABOUT 20
PERCENT OF TOTAL ANTICIPATED EXPORTS. CONNOR HAS
CRITICIZED AWB FOR FAILURE TO PROVIDE MORE COMPLETE
LIST AND SENT "URGENT REQUEST" TO BOARD TO MEET WITH
INDUSTRY BUNKERING COMMITTEE AND PROVIDE DETAILS ON
BALANCE OF WHEAT SHIPPING VESSELS, CARGOES, DESTINATIONS AND
TIMES OF ARRIVAL.

3. RELIABLE OIL INDUSTRY SOURCE STATES THAT, DESPITE
IMPLICATIONS OF CONNOR'S STATEMENT, COMPANIES DID NOT
AGREE TO PROVIDE MORE BUNKER FOR AUSTRALIAN TRADE AT
OVERSEAS PORTS. COMPANIES DID AGREE TO BRING "ADDITIONAL"
7,000 TONS OF BUNKER PER MONTH INTO AUSTRALIA,
ALTHOUGH STATEMENT FAILS TO MENTION THIS. SOURCE
SAYS THIS BUNKER NOT REALLY "ADDITIONAL" AS IT WOULD
PROBABLY HAVE COME HERE ANYWAY. SOURCE CONCEDES THAT
DIVERSION OF BUNKER AT OVERSEAS PORTS, ESPECIALLY IN
JAPAN, PREVIOUSLY AVAILABLE TO AUSTRALIAN TRADE HAS
BEEN A PROBLEM. HOWEVER, GOJ APPARENTLY HAS TAKEN
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STEPS TO PROTECT AUSTRALIAN INTERESTS FOLLOWING
CONFIDENTIAL GOA THREAT TO STOP LPG EXPORTS TO JAPAN
(REF B). SOURCE SAYS IT HAS BEEN "COMMON PROBLEM"
FOR SHIPPERS TO REQUEST MORE BUNKER THAN NECESSARY
FOR PARTICULAR VOYAGES.

4. EMBASSY COMMENT: CONNOR'S LATEST STATEMENT
APPARENTLY MARKS END TO CONFRONTATION HE ENGINEERED

WITH FOREIGN OIL AND SHIPPING COMPANIES BUT SEEMS TO
SET OFF A MORE LIMITED, EVIDENTLY UNWARRANTED
SPAT WITH AWB. CONNOR OBVIOUSLY
WON PUBLIC RELATIONS BATTLE WITH COMPANIES AS PRESS HAS
DESCRIBED RESULTS IN TERMS OF MINISTER "TRIUMPHS" OR
"WINS". FAR LESS CLEAR IS WHAT CONNOR HAS WON IN TERMS OF
ADDITIONAL BUNKER FOR AUSTRALIAN TRADE. HE APPARENTLY
OVERREACTED IN FIRST PLACE TO THEAT OF INJURY TO
EXPORTS AND IS NOW CONTENT TO CALL OFF CONFRONTATION
FOR THE PRESENT, PLEASED WITH HIS PUBLICITY "WIN."
HARROP

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Message Attributes

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